

**Department of Personnel Administration
Memorandum**

TO: Personnel Management Liaisons (PML)

SUBJECT: 2011 Open Enrollment Period for Dental, FlexElect, and Consolidated Benefits (CoBen) Programs, 2012 Dental and Vision Plan Premiums, and 2012 CoBen Allowance	REFERENCE NUMBER: 2011-037
DATE ISSUED: 09/30/2011	SUPERSEDES:

This memorandum should be forwarded to:

**Personnel Officers
Personnel Transactions Supervisors
Personnel Transactions Staff**

FROM: Department of Personnel Administration
Benefits Division

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This memo provides important information on the 2011 Open Enrollment for the Dental, FlexElect, and CoBen Programs, 2012 Dental and Vision plan premiums, and 2012 CoBen allowance. Please make sure employees know about the open enrollment period and the information contained in this memo.

The following attachments are provided to distribute to employees:

Attachment A - Memorandum to All State Employees (Open Enrollment)

Attachment B - Dental Plan Options and Benefit Cost Comparison

Attachment C - 2012 Dental and Vision Plan Premiums

Attachment D - 2012 Dental and Vision COBRA Group Continuation Coverage Premiums

OPEN ENROLLMENT

Open Enrollment for Dental, FlexElect, and CoBen is October 10 through November 4, 2011. Enrollments and changes made during this period are effective January 1, 2012. For dental, eligible employees may enroll, cancel, or change plans, and add/delete dependents. For FlexElect and CoBen, eligible employees may enroll, cancel, or change their current options. No action is necessary for currently enrolled employees who don't want to change their FlexElect Cash Option, CoBen Cash Option, and/or dental enrollment. However, Permanent Intermittent (PI) employees must re-enroll in the FlexElect/CoBen Cash Option during open enrollment if they want to remain in the program next year. Additionally, employees who want to continue enrollment next year in a FlexElect Reimbursement Account must re-enroll during open enrollment.

Employees with dependents up to the age of 26 will have an opportunity to add those dependents on their plans during this open enrollment period.

Completing the Open Enrollment Forms

Use the following information to complete open enrollment forms:

Permitting Event Date: Dental Elections – 10/10/11

Note: No permitting event date is needed for FlexElect and CoBen cash enrollment documents

Effective Date: Dental/FlexElect/CoBen Cash – 1/1/12

Permitting Event Codes:

Dental

03 – New Enrollment

15 – Add or Delete Dependents (May use one form for this type of transaction.)

28 – Change of Plan

29 – Change of Plan and Add or Delete Dependents
(May use one form for this type of transaction.)

FlexElect/CoBen – Leave permitting event code blank.

Deadlines:

- 11/4/11 Last day for employees to sign and submit open enrollment forms to personnel offices.
- 11/18/11 Last day for personnel offices to receive enrollment forms (as shown on enrollment forms).
- 12/5/11 Last day for State Controller's Office (SCO) to receive all open enrollment forms from personnel offices.
- 12/12/11 Last day for SCO to receive open enrollment forms previously returned to departments for correction (in order to be reflected on the January 1, 2012 pay warrant).
- 1/10/12 Last day for SCO to receive FlexElect and CoBen open enrollment forms reflecting cancellation or changes (forms signed/submitted to personnel office by 12/31/11). The effective date will be retroactive to 1/1/12.

DENTAL PROGRAM

Employees who enroll in or make changes to their dental coverage during open enrollment may cancel or change their election until November 4, 2011. A new STD. 692 must be completed and signed by the employee by November 4, 2011. In the remarks section of a new STD. 692, indicate the type of action taken and attach a copy of the original form that was previously sent to SCO during the open enrollment period. Employees may not cancel or change a dental election after the end of the open enrollment period unless they experience a valid change in status. It is not an option to rescind a dental enrollment/change by submitting a copy of the original STD 692 marked "rescind."

Eligible employees, who are off active pay status during the entire open enrollment period, may contact their personnel office during the open enrollment period to make changes in their dental enrollment or may wait and make changes within 60 days after returning to active pay status.

Dental Carriers

DPA contracts with Delta Dental, DeltaCare USA, Premier Access, SafeGuard, and Western Dental to provide dental insurance for eligible:

- rank and file employees (except those in Bargaining Unit (BU) 6);
- excluded employees; and
- retirees/annuitants.

The California Association of Highway Patrolmen (CAHP) offers its own indemnity dental plan to BU 5 employees who are CAHP members, but its members may opt to enroll in a State-sponsored prepaid plan. The California Correctional Peace Officers Association (CCPOA) provides dental insurance to BU 6 employees who are CCPOA dues paying members. Represented employees in BU 5 and 6 should be advised to contact their Benefit Trust for information regarding their union-sponsored dental plan premiums and benefits. Dental premiums for union-sponsored plans are listed on Attachment C.

Restriction on Enrollment in Delta Dental Plans

Except as noted below, employees must enroll in a State-sponsored prepaid dental plan during their first 24 months of State service. At the end of this 24-month period, employees who wish to enroll in the Delta Dental Premier or Delta Dental Preferred Provider Option (PPO) plan have 60 days to do so. Those employees who choose not to enroll in a prepaid plan may elect a Delta Dental plan within 60 days after completing the restriction period, unless they enrolled in the FlexElect or CoBen Cash Option for dental. This enrollment is available outside the open enrollment period.

The following employees are **not** subject to the 24-month restriction:

- represented employees in BUs 2, 7, 8, 16, 17, 18, and 19;
- excluded employees;
- employees who were previously State employees for 24 consecutive months without a permanent break in service during the 24 months.

CAHP Dental Plan Restriction

Employees in BU 5 who are restricted to a State-sponsored prepaid dental plan must complete 24 months of State service before they are allowed to enroll in the union-sponsored indemnity Blue Cross Dental Plan. At the end of this 24-month period, employees have 60 days to enroll in their union-sponsored Blue Cross Dental plan if they choose to do so. This enrollment is available outside of the open enrollment period.

CCPOA Dental Plan Restriction

Employees in BU 6 who are restricted to the union-sponsored prepaid plan, Western Dental, must complete 12 months in the prepaid plan before they are allowed to enroll in the union-sponsored indemnity dental plan, Primary Dental. At the end of this 12-month period, employees have 60 days to enroll in the union-sponsored indemnity dental plan if they choose to do so. This enrollment is available outside of the open enrollment period.

CCPOA Dental Plan Eligibility

Under agreement between the Department of Personnel Administration (DPA) and the CCPOA Benefits Trust, employees with the California Department of Corrections and Rehabilitation in supervisory (S06), managerial (M06), excluded (E06), or confidential (C06) classifications will now have the option to elect CCPOA Benefit Trust Fund (BTF) dental plans as well as State sponsored dental plans. With this change, rank and file employees in BU 6 who promote will now have the option to remain in their CCPOA plan, or change to one of the excluded classifications designated under BU 6.

Employees in these classifications wanting to change their enrollment into a CCPOA BTF dental plan may do so during the scheduled 2011 open enrollment period occurring October 10 through November 4, 2011.

Questions regarding the CCPOA dental plans, including coverage and benefits questions, must be directed to the CCPOA at 1-800-468-6486.

These provisions do not change the new BU 6 agreement recently approved by the Legislature, which requires non-dues paying BU 6 officers be placed in Fair Share. Because of this change, BU 6 officers are no longer eligible to maintain enrollment in a State-sponsored dental plan and must enroll into one of the CCPOA Benefit Trust, union-sponsored dental plans. Additional details of this new process will be forthcoming under a separate PML.

Delta Dental 2012 Premiums

Premiums will increase for the Delta Premier plan and the Delta Preferred Provider Option (PPO) dental plan effective January 1, 2012. The charts listed below, and on the following pages, and in Attachments C and D show the Delta Dental premiums that go into effect January 1, 2012.

Impact on Employees Not in Consolidated Benefits

Employees not in Consolidated Benefits (CoBen), who are enrolled in the Delta Premier and Delta PPO, will see no increase in their out-of-pocket premium on their January 1, 2012, pay warrant (December 2011 pay period).

Impact on Employees in Consolidated Benefits

Represented employees in BUs 2, 7, 8, 16, 17, 18, and 19, and excluded employees are in CoBen. Employees in CoBen pay the total dental premium with their CoBen benefit allowance. For employees enrolled in Delta Premier and Delta PPO, the increased dental premium will result in a higher amount deducted from their monthly CoBen allowance on their January 1, 2012, pay warrants (December 2011 pay period).

For employees in CoBen, the State's share and employee's share do not apply. Therefore, upon completing dental forms, use the total premium amount as the amount deducted from the employee's CoBen allowance.

Delta Dental Premiums effective January 1, 2012:

Delta Dental Premier Basic Plan for Represented Employees

Coverage	2012 Total Premium	State Share	2012 Employee Share	<u>Employee Share Increase</u>
Employee only	\$54.28	\$40.71	\$13.57	\$0.20
Employee plus one dependent	\$96.48	\$72.36	\$24.12	\$0.36
Employee plus two or more dependents	\$140.48	\$105.36	\$35.12	\$0.52

Delta Dental Premier Enhanced Plan for Excluded Employees

Coverage	2012 Total Premium
Employee only	\$56.55
Employee plus one dependent	\$113.53
Employee plus two or more dependents	\$160.40

Delta Dental Preferred Provider Option (PPO) for Excluded and Represented Employees

Coverage	2012 Total Premium	State Share	2012 Employee Share	<u>Employee Share Increase</u>
Employee only	\$46.09	\$34.57	\$11.52	\$0.16
Employee plus one dependent	\$91.39	\$68.54	\$22.85	\$0.34
Employee plus two or more dependents	\$138.46	\$103.85	\$ 34.61	\$0.51

Prepaid Dental Plan 2012 Premiums

Premiums for DeltaCare USA, Premier Access, SafeGuard, and Western Dental will remain the same for 2012. The State will continue to pay 100 percent of the premium for employees not in CoBen. For employees in CoBen, the State's share and employee's share do not apply. Therefore, upon completing employees' dental forms, use the total premium amount as the amount deducted from their CoBen allowance.

The following chart and Attachments C and D show the prepaid plans' dental premiums that go into effect January 1, 2012.

Coverage	SafeGuard Standard	SafeGuard Enhanced	DeltaCare USA	Premier Access	Western Dental
Employee only	\$16.58	\$16.92	\$17.72	\$16.63	\$14.72
Employee plus one dependent	\$26.86	\$28.63	\$29.07	\$26.94	\$24.29
Employee plus two or more dependents	\$37.62	\$35.27	\$40.21	\$37.73	\$34.46

Retroactive premiums for mandatory cancellations and/or deletions to employees' dental coverage will be reimbursed for a maximum period of six months. This limitation impacts all mandatory cancellations and/or deletions to employees' State-sponsored dental coverage. Employees should check their dental coverage and ensure that only eligible dependents are enrolled.

Evidence of Coverage (EOC) Booklets, Participating Dentist Lists, and Membership Cards

It is recommended that a small supply of EOC booklets and participating dentist lists from the dental plans be requested from all of the plans to have available in personnel offices for employees. Advise employees in BU 5 and 6 to contact their Benefit Trust for information on claim forms, EOCs, participating dentist lists, or membership cards.

Affidavit for Domestic Partners Being Claimed As Economic Dependent (DPA 680)

As a reminder, the Affidavit for Domestic Partners or same-sex spouses being claimed as economic dependents (DPA 680 form) must be completed and retained in the employee's personnel file for employees who enroll domestic partners as dependents on their State dental and/or health plans. Dental enrollment forms must note the DPA 680 is on file to advise the State Controller of this status. The value of the additional benefits received by a domestic partner will be added to an employee's taxable income. The DPA 680 form is available through the DPA website.

For more information regarding the purpose of the DPA 680, please refer to the Benefits Administration Manual (BAM) Dental Section 500.

FLEXELECT

The 2012 FlexElect handbook is available and can be downloaded from DPA's website at www.dpa.ca.gov (click on Publications). Please refer to BAM Section 700 for information regarding FlexElect and processing instructions for open enrollment forms.

When an employee wants to cancel his/her Cash Option enrollment and re-enroll in dental and/or medical coverage, the Personnel Office needs to ensure that a Cash Option cancellation form is attached to the dental and/or medical enrollment form for SCO processing.

DPA mails an open enrollment notification to the homes of employees currently enrolled in a FlexElect Reimbursement Account, as a reminder that they must re-enroll during open enrollment if they want to participate in a reimbursement account in 2012. DPA also sends personnel offices a list of employees in each department who are enrolled in a 2012 FlexElect Reimbursement Account. When possible, DPA mails the listing to the appropriate field office. Please send employees a reminder that they must re-enroll during open enrollment if they want to participate in a reimbursement account in 2012.

Employees who enroll in or make changes to their FlexElect election during the open enrollment period and employees, who are automatically reenrolled into the cash option, are allowed by Internal Revenue Code 125 to cancel or change their elections until 12/31/11. A new STD. 701C, STD. 701R, or STD 702 must be completed and signed by the employee by 12/31/11. Once the new plan year begins, employees may not cancel or change their FlexElect/CoBen enrollment unless they experience a valid change in status.

****Reminder:***

Effective January 1, 2011, State employees who are dependents on their parent's benefits, if their parent is a State employee, are **eligible to receive the Flex cash or CoBen cash in lieu of coverage**. This is a change from previous years and will bring the State into compliance with the new federal health care reform requirements. Elections for CoBen Cash Option may be done during any open enrollment period.

CONSOLIDATED BENEFITS

All excluded employees and represented employees in BUs 2, 7, 8, 16, 17, 18, and 19 are in CoBen and may be subject to Dependent Vesting.

Dependent Vesting and Rank and File Employee CoBen Allowance Amounts

Dependent Vesting Criteria

New employees who have never had State health benefit eligibility may be subject to dependent health vesting. Employees in bargaining units that have contracted for dependent vesting are provided with 50 percent of the employer dependent contribution for the first 12 months, and 75 percent of the employer dependent contribution for months 13 through 24. After 24 months,

these employees will receive the full employer dependent contribution applicable to their bargaining unit.

BU 2 and 7 employees who first become eligible for health benefit enrollment on or after July 1, 2006, and BU 16, 17, 18, and 19 employees who first become eligible for health benefit enrollment on or after January 1, 2007, are subject to a two-year vesting schedule for the health portion of the employer benefit allowance for dependents.

The following are the CoBen allowances, effective January 1, 2012, for employees in BUs 2, 7, 8, 16, 17, 18, and 19. As of the date of this PML, the following rates will be effective January 1, 2012. However, the collective bargaining process is fluid and changes may be agreed to which alter these amounts. DPA will notify departments if there are subsequent changes to these rates.

Unit 18 – CoBen Allowance

Employee:	\$482
Employee plus 1 dependent:	\$946
Employee plus 2 or more dependents:	\$1,241

Unit 18 CoBen Allowance for Employees Subject to Dependent Health Vesting

	<u>50% Vesting</u>	<u>75% Vesting</u>
Employee, dependent contribution level:	\$482	\$482
Employee plus 1 dependent, dependent contribution level:	\$729	\$838
Employee plus 2 or more dependent, dependent contribution level:	\$893	\$1,067

Units 2, 7, 16, 17, 19 – CoBen Allowance

Employee:	\$501
Employee plus 1 dependent:	\$986
Employee plus 2 or more dependents:	\$1,291

Units 2, 7, 16, 17, 19 - CoBen Allowance for Employees Subject to Dependent Health Vesting

	<u>50% Vesting</u>	<u>75% Vesting</u>
Employee, dependent contribution level	\$501	\$501
Employee plus 1 dependent, dependent contribution level	\$759	\$873
Employee plus 2 or more dependent, dependent contribution level	\$929	\$1,110

Unit 8 - CoBen Allowance

Employee:	\$529
Employee plus 1 dependent:	\$1,014
Employee plus 2 or more dependents:	\$1,320

Excluded Employees - CoBen Allowance

Employee:	\$531
Employee plus 1 dependent:	\$1,027
Employee plus 2 or more dependents:	\$1,335

As of the date of this PML, the following rates will be effective January 1, 2012. However, the collective bargaining process is fluid and changes may be agreed to which alter these amounts. DPA will notify departments if there are subsequent changes to these rates.

A new employee must meet *all* of the following criteria to be exempt from dependent vesting:

- Previous appointment date prior to January 1, 2007 for employee in BUs 1, 3, 4, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, and 21 and July 1, 2006 for employees in BUs 2 and 7;
- Must be a State civil service appointment (UC and CSU appointments are not State civil service); and,
- Employee must have been eligible for State health benefits (it does not matter whether or not the employee actually enrolled in health benefits, as long as they were eligible to enroll).

When an employee wants to cancel his/her cash option enrollment and re-enroll in dental and/or medical coverage, the personnel office needs to ensure that a cash option cancellation form is attached to the dental and/or medical enrollment form for SCO processing.

Employees who enroll in CoBen Cash Option during the open enrollment period and employees who are automatically re-enrolled in CoBen Cash Option have until December 31, 2012, to cancel their enrollment or make changes.

The 2012 CoBen handbook is available for download from DPA's website at www.dpa.ca.gov (click on Publications). Please refer to the BAM Section 1600 for information regarding CoBen and processing instructions for open enrollment forms.

CoBen Calculator

The CoBen Calculator on DPA's website will help employees determine how much will be deducted from their paycheck, or added to it, based on the health and dental plans chosen. Employees simply click on their health and dental plan choices, and select how many dependents will be covered.

The calculator automatically computes the total cost of the benefits selected and subtracts the amount from the CoBen allowance. The result shows whether the employee will have a monthly benefit deduction or receive extra cash. The CoBen calculator is located at www.dpa.ca.gov (click on Benefits and then click on Consolidated Benefits).

VISION PROGRAM

The premium paid to Vision Service Plan (VSP) for vision benefits for active employees will remain the same at the rate of \$8.64 and will continue to be fully paid by the State. State employees' vision coverage is automatically established for employees and their eligible dependents, and no form is required to enroll, add, or delete dependents during open enrollment. Therefore, employees need to continue to ensure that only eligible dependents are provided services under their State-sponsored vision plan.

Retiree Vision Program

VSP will notify State retirees and annuitants regarding the Retiree Vision Program Annual Open Enrollment Period, which will coincide with the open enrollment period for Health, FlexElect, CoBen, and Dental benefits. VSP will process all Retiree Vision open enrollment transactions.

PERSONNEL OFFICES

Assistance in the following areas is appreciated and will help make this open enrollment period successful:

- provide a copy of the attached open enrollment memorandum to all employees (Attachment A);
- make Dental, FlexElect, and CoBen Program material available or advise employees how to obtain such material;

- assist employees in completing enrollment/change forms, review, and submit enrollment forms by the due dates listed in the memo; and
- send completed enrollment forms and packages to SCO.

Please assist employees who have questions regarding open enrollment for the Dental, FlexElect, or CoBen Programs. If you need assistance to answer employee questions, please call Lisa Hatten, Staff Personnel Program Analyst, at (916) 445-9795.

/s/ Greg Beatty

Greg Beatty
Chief, Benefits Division

Attachment(s)